GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:5060
ANSWERED ON:20.04.2001
PUBLIC DISTRIBUTION SYSTEM
VINAY KUMAR SORAKE

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the main policy of public Distribution depends on the promise that public would receive foodgrains at prices lower than free market prices;

(b) whether the domestic agricultural production has been rendered surplus stocks, which are beyond the absorption capacity of free market or FCI;

(c) if so, the details thereof;

(d) whether the Government propose to consider rationalizing the present policy by working out procurement prices to repair the mismanagement between the Minimum Support Price, acquisition cost of FCI and PDS issue price; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

(a) The main objective of the Public Distribution System is to manage scarcity anddistribute foodgrains at affordable prices. However, in order to ensure availability of foodgrains to the families Below Poverty Line, the Government launched the Targeted Public Distribution System with its focus on the poor in June, 1997.

(b) & (c) : The production of foodgrains is only marginally surplus to the country`s normative requirement as a whole, as per the advance estimates of production during 2000-2001. FCI and the State Agencies procure whatever Fair Average Quality wheat, paddy and coarsegrains that are offered by the farmers for sale. The balance is purchased in the open market.

(d) & (e) : A High Level Committee has been constituted to formulate a Long Term GrainPolicy for the country. The Terms of Reference of the said committee include matters relating to Minimum Support Price and price support operations, functioning of Public Distribution System, policy regarding buffer stocks, Open Market Intervention and Export/Import, allocation of foodgrains for rural development programmes and other welfare programmes and FCI related issues. The Committee is expected to finalise its report by end of May, 2001.